

FISCAL NOTE

HB 2161 - SB 2237

February 28, 2000

SUMMARY OF BILL: Amends the retirement law to allow a retired teacher, who is drawing a service retirement allowance from either the TCRS or from any Tennessee local government, to be re-employed as a teacher on either a temporary or full-time basis. Whether the teacher is re-employed on a temporary or full-time basis, the teacher would be permitted to draw a publicly funded salary, continue to draw his/her publicly funded retirement benefits and accrue additional retirement credit.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$7,704,000 Annual Amortized Cost
\$180,000/Division of Retirement**

Increase Local Govt. Expenditures* - \$5,136,000 Annual Amortized Cost

Estimate assumes:

- total lump sum liability of \$128,000,000
- 20-year amortization of the lump sum liability
- K-12 teacher ratio of 60%-40% between state and local funding
- administration costs of \$180,000 for five positions and related costs in the Division of Retirement

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

HB 2161 - SB 2237